

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

September 26, 2000

IN RE:

**SPRINT COMMUNICATIONS COMPANY,
L.P. TARIFF TO INTRODUCE 1.5% LATE
FEE FOR BUSINESS CUSTOMERS**

DOCKET NO. 00-00454

**ORDER APPROVING TARIFF
TO INTRODUCE 1.5% LATE FEE FOR BUSINESS CUSTOMERS**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference held on July 11, 2000, for consideration of Tariff No. 00-00454. Sprint Communications Company, L.P. ("Sprint") filed this tariff with the Authority on May 30, 2000 with an effective date of July 1, 2000 to introduce a late fee of 1.5% for business customers. At the Authority Conference held on June 20, 2000, the Directors voted to suspend Sprint's tariff thirty (30) days, from July 1, 2000 through July 30, 2000, so as to request additional information from Sprint. The Authority sent data requests to Sprint on June 13, 2000. Sprint filed its data responses with the Authority on June 27, 2000. Subsequently, Sprint's tariff was placed on the Authority's July 11, 2000 Conference for consideration. No person sought intervention in this docket.

After reviewing Sprint's data responses, a majority¹ of the Directors determined that although the late payment charge proposed in this tariff will apply to customers whose rates are

¹ Director Malone stated that on the record before him, he would vote no.

capped under Authority Rule 1220-4-2-.55(2)(d)(2), the implementation of such a late charge does not constitute a rate increase which would violate the capping provision of the IXC (Inter-Exchange Carrier) Rule.² The late charge is not a rate for any direct distance dialing (DDD) service but a charge for customers who do not pay their bills on time. The same rates will be billed for DDD services after the implementation of the late charge. The late charge will only affect customers who order services, receive the benefit of those services, and cause the company to incur additional costs by failing to pay for those services in a timely manner. Because it is an avoidable charge, customers will never be affected by the late charge if they pay their bills on time.

A majority of Directors agreed with the contention that the customer who pays the bill late should pay for the resulting costs incurred due to the late payment of a bill. Therefore, there being no opposition filed and having found that the late payment charge was not in violation of state statutes or Authority rules, a majority of Directors approved Sprint's tariff as filed.

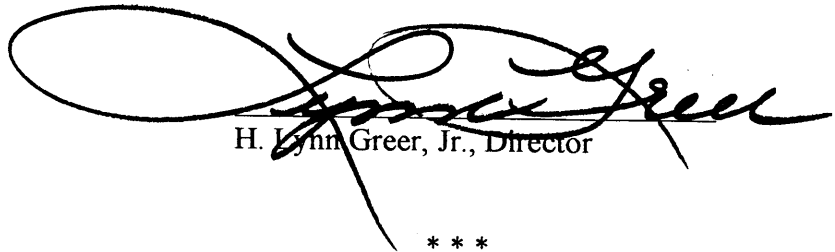
² Authority Rule 1220-4-2-.55(2)(d) Rate and Price Setting Requirements.

1. IXC services shall be classified as one of two categories of service. (1) direct distance dialing [DDD] and (2) All Other services
 - (i) [DDD] rate schedules. Rates for operator assisted calls (0+ and 0-) and residential Optional Calling Plans shall be included in the DDD service category.
 - (ii) Any new service that is not [DDD] or a residential calling plan shall be placed in the All Other Services category.
2. The Commission shall only establish a price cap for DDD services. The initial price cap for each IXC shall be that company's rate (less any annual access reductions) in effect on the effective date of this rule sub-section.
3. The DDD prices and price cap shall be adjusted to reflect any changes in access charges to IXCs. DDD service category rates shall be adjusted within thirty days of any access charge change and the price cap for DDD shall be adjusted on an annual basis. The amount of any access charge change for the DDD service category for each IXC shall be the per minute reduction based on total intrastate minutes of use applied to the intrastate minutes of use in the DDD category for each IXC. The minutes of use shall be those reported in the most recent annual reports under sub-section (2)(i)6. of this rule.
4. Prices for the All Other Services category may be reviewed in accordance with the provisions of this rule sub-section by the Commission.

IT IS THEREFORE ORDERED THAT:

1. Sprint Communications Company, L.P.'s Tariff No. 00-00454 is approved.

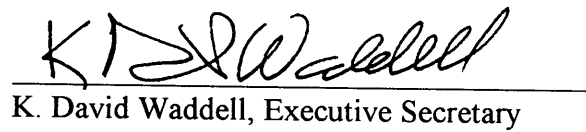

Sara Kyle, Chairman


H. Lynn Greer, Jr., Director

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Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary

* * Director Malone voted against the prevailing motion.